



FINANCIAL AND COMPLIANCE AUDIT REPORT

**STATE OF KANSAS
Single Audit
Fiscal Year 2001**

**Conducted by Allen Gibbs & Houlik and
Berberich Trahan & Co.,
Under Contract with Legislative Post Audit**

**A Report to the Legislative Post Audit Committee
By the Legislative Division of Post Audit
State of Kansas
April 2002**

Legislative Post Audit Committee

Legislative Division of Post Audit

The Legislative Post Audit Committee and its audit agency, the Legislative Division of Post Audit, are the audit arm of Kansas government. The programs and activities of State government now cost about \$8 billion a year. As legislators and administrators try increasingly to allocate tax dollars effectively and make government work more efficiently, they need information to evaluate the work of government agencies. The audit work performed by Legislative Post Audit helps provide that information.

We conduct our audit work in accordance with applicable government auditing standards set forth by the U. S. General Accounting Office. These standards pertain to the auditor's professional qualifications, the quality of the audit work, and the characteristics of professional and meaningful reports. These audit standards have been endorsed by the American Institute of Certified Public Accountants and adopted by the Legislative Post Audit Committee.

The Legislative Post Audit Committee is a bipartisan committee comprising five senators and five representatives. Of the Senate members, three are appointed by the President of the Senate and two are appointed by the Senate Minority Leader. Of the representatives, three are appointed by the Speaker of the House and two are appointed by the House Minority Leader.

As part of its audit responsibilities, the Division is charged with meeting the requirements of the Legislative Post Audit Act which address audits of financial matters. Those requirements call for two major types of audit work.

First, the Act requires an annual audit of the State's financial statements. Those statements, prepared by the Department of Administration's Division of Accounts and Reports, are audited by a certified public accounting firm under contract with the Legislative Division of Post Audit. The firm is selected by the Contract Audit Committee, which comprises three members of the Legislative Post Audit Committee (including the Chairman and Vice-Chairman), the

Secretary of Administration, and the Legislative Post Auditor. This audit work also meets the State's audit responsibilities under the federal Single Audit Act.

Second, the Act provides for a regular audit presence in every State agency by requiring that audit work be conducted at each agency at least once every three years. Audit work done in addition to the annual financial statement audit focuses on compliance with legal and procedural requirements and on the adequacy of the audited agency's internal control procedures. These compliance and control audits are conducted by the Division's staff under the direction of the Legislative Post Audit Committee.

LEGISLATIVE POST AUDIT COMMITTEE

Senator Lynn Jenkins, Chair
Senator Anthony Hensley
Senator Dave Kerr
Senator Derek Schmidt
Senator Chris Steineger

Representative Lisa Benlon, Vice-Chair
Representative John Ballou
Representative James Garner
Representative Dean Newton
Representative Dan Thimesch

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Barbara J. Hinton, Legislative Post Auditor

The Legislative Division of Post Audit supports full access to the services of State government for all citizens. Upon request, Legislative Post Audit can provide its audit reports in large print, audio, or other appropriate alternative format to accommodate persons with visual impairments. Persons with hearing or speech disabilities may reach us through the Kansas Relay Center at 1-800-766-3777. Our office hours are 8:00 a.m. to 5:00 p.m., Monday through Friday.

STATE OF KANSAS
REPORT ON FEDERAL AWARDS IN ACCORDANCE
WITH OMB CIRCULAR A-133

For the Year Ended June 30, 2001

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Legislative Post Audit Committee
Kansas State Legislature

We have audited the combined financial statements arising from cash transactions of the State of Kansas (the "State") as of and for the year ended June 30, 2001, and have issued our report thereon dated November 9, 2001, which was qualified due to the lack of determination of whether certain component units should be included in the reporting entity. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the State's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings and Questioned Costs as Finding No. 01-1. We also noted certain immaterial instances of noncompliance that we have reported to management of the State in a separate letter dated November 9, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the State's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter, involving internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the State's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as Finding No. 01-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe the reportable conditions described above are material weaknesses. We have communicated other observations involving the internal control over financial reporting to the State in a separate letter dated November 9, 2001.

This report is intended solely for the information and use of the State of Kansas Legislative Post Audit Committee, management, Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A llen, Gibbs & H oulik, L.C.
November 9, 2001

B erberich T rahan & Co., P.A .

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE ON INTERNAL
CONTROL OVER COMPLIANCE APPLICABLE TO EACH MAJOR
FEDERAL AWARD PROGRAM AND ON THE SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS**

Legislative Post Audit Committee
Kansas State Legislature

Compliance

We have audited the compliance of the State of Kansas (the "State") with the types of compliance requirements described in the *U.S. Office of Management and Budget ("OMB") Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2001. The State's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the State's management. Our responsibility is to express an opinion on the State's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the State's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the State's compliance with those requirements.

In our opinion, the State complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as Findings Nos. 01-2 to 01-5.

Internal Control Over Compliance

The management of the State is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the State's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the combined financial statements arising from cash transactions of the State as of and for the year ended June 30, 2001, and have issued our report thereon dated November 9, 2001, which was qualified due to the lack of determination of whether certain component units should be included in the reporting entity. Our audit was performed for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the combined financial statements. This schedule is the responsibility of the State's management. Such information has been subjected to the auditing procedures applied in our audit of the combined financial statements and, in our opinion, except for the effect of such adjustments, if any, as might have been determined to be necessary had a determination been made of whether certain component units should be included in the reporting entity, is fairly stated, in all material respects, when considered in relation to the combined financial statements taken as a whole.

This report is intended solely for the information and use of the State of Kansas Legislative Post Audit Committee, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

A llen, Gibbs & H oulik, L.C.
November 9, 2001

Berberich T rahan & Co., P.A .

State of Kansas
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2001

Federal CFDA / Contract Number	Federal Grantor / Program / Pass-Through Grantor	Received Indirectly:	Total Expenditures Expenditures by Federal Agency	Funds Passed to Subrecipients	Total Funds Passed to Subrecipients
DEPARTMENT OF AGRICULTURE					
Direct:					
10.001	Agricultural Research - Basic and Applied Research		1,909,150		
10.025	Plant and Animal Disease, Pest Control, and Animal Care		104,484		
10.064	Forestry Incentives Program		985		
10.155	Marketing Agreements and Orders		3,883		
10.164	Wholesale Market Development		8,010		
10.200	Grants for Agricultural Research, Special Research Grants		1,095,754	5,758	
10.203	Payments to Agricultural Experiment Stations Under the Hatch Act		3,477,116		
10.206	Grants for Agricultural Research - Competitive Research Grants		1,618,726		
10.210	Food and Agricultural Sciences National Needs Graduate Fellowship Grants		75,060		
10.212	Small Business Innovation Research		88,373		
10.215	Sustainable Agriculture Research and Education		75,512		
10.217	Higher Education Challenge Grants		131,766	4,548	
10.219	Biotechnology Risk Assessment Research		39,223		
10.224	Fund for Rural America - Research, Education and Extension Activities		259,751		
10.250	Agricultural and Rural Economic Research		7,848		
10.303	Integrated Programs		113,687	24,338	
10.424	USDA Cooperative		12,359		
10.435	State Mediation Grants		371,481		
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection		1,700,223		
10.500	Cooperative Extension Service		7,425,864	219,651	
10.553	School Breakfast Program		10,966,065		
10.555	National School Lunch Program		53,849,375		
10.556	Special Milk Program for Children		132,784		
10.557	Special Supplemental Nutrition Program for Women, Infants and Children		35,341,190		
10.558	Child and Adult Care Food Program		26,373,790		
10.559	Summer Food Service Program for Children		1,101,686		
10.560	State Administrative Expenses for Child Nutrition		1,211,020		
10.561	State Administrative Matching Grants for Food Stamp Program		12,469,394		
10.564	Nutrition Education and Training Program		58,173		
10.568	Emergency Food Assistance Program		247,240		
10.600	Foreign Market Development Cooperator Program		17,841		
10.652	Forestry Research		14,140		
10.664	Cooperative Forestry Assistance		1,024,742	131,264	
10.761	Technical Assistance and Training Grants		149,172	58,696	
10.771	Rural Cooperative Development Grants		156,175		
10.855	Distance Learning and Telemedicine Loans and Grants		17,047	5,000	
10.901	Resource Conservation and Development		54,778		
10.902	Soil and Water Conservation		2,925		
10.903	Soil Survey		51,123		
10.961	Scientific Cooperation and Research		75,210		
10.975	Agency for International Development		369,518		
Indirect:					
10.001	Agricultural Research - Basic and Applied Research	Mississippi State University	6,178		
10.200	Grants for Agricultural Research, Special Research Grants	Washington State University	8,101		
10.200	Grants for Agricultural Research, Special Research Grants	Michigan State University	1,014		

10.200	Grants for Agricultural Research, Special Research Grants	University of Nebraska	33,287		
10.200	Grants for Agricultural Research, Special Research Grants	Purdue University	5,758		
10.200	Grants for Agricultural Research, Special Research Grants	North Carolina State	15,000		
10.206	Grants for Agricultural Research - Competitive Research Grants	University of Nebraska	50,319		
10.206	Grants for Agricultural Research - Competitive Research Grants	University of California - Davis	26,692		
10.206	Grants for Agricultural Research - Competitive Research Grants	University of Illinois	17,630		
10.206	Grants for Agricultural Research - Competitive Research Grants	University of Mississippi	5,855		
10.206	Grants for Agricultural Research - Competitive Research Grants	Tennessee State University	2,093		
10.212	Small Business Innovative Research	Capstan Ag Systems, Inc.	41,596		
10.212	Small Business Innovative Research	KS Advanced Technologies, Inc.	10,757		
10.212	Small Business Innovative Research	Rainbow Organic Farms	23,534		
10.215	Sustainable Agriculture Research and Education	University of Nebraska	75,512		
10.217	Higher Education Challenge Grants	Washington State University	4,885		
10.303	Integrated Programs	Michigan State University	12,454		
10.303	Integrated Programs	University of Nebraska	3,834		
10.500	Cooperative Extension Service	Michigan State University	2,161		
10.500	Cooperative Extension Service	University of Nebraska	110,202		
10.500	Cooperative Extension Service	University of Minnesota	908		
10.500	Cooperative Extension Service	Cornell University	11,643		
10.500	Cooperative Extension Service	North Carolina State	17,806		
10.500	Cooperative Extension Service	Texas A&M University	25,996		
10.500	Cooperative Extension Service	Auburn University	7,722		
10.564	Nutrition Education and Training Program	Tennessee State University	5,845		
10.564	Nutrition Education and Training Program	N. Central Flint Hills AAA	8,823		
10.564	Nutrition Education and Training Program	University of Mississippi	44,045		
10.600	Foreign Market Development Cooperator Program	Grain Industry Alliance	17,841		
10.975	Agency for International Development	University of Nebraska	89,894		
10.975	Agency for International Development	Mississippi State University	141,887		
10.975	Agency for International Development	Haskell Indian Nations University	13,548		
10.975	Agency for International Development	Int'l Rice Research Institute	55,726		
10.975	Agency for International Development	Supreme Council of Universities	2,178		
TOTAL DEPARTMENT OF AGRICULTURE				163,103,366	449,255
DEPARTMENT OF COMMERCE					
Direct:					
11.114	Special American Business Internship Training Program		9,585		
11.300	Grants for Public Works and Economic Development		13,774		
11.302	Economic Development - Support for Planning Organizations		84,871		
11.303	Economic Development - Technical Assistance		163,817		
11.312	Research and Evaluation Program		13,211		
11.550	Public Telecommunications Facilities - Planning and Construction		636		
11.609	Measurement and Engineering Research and Standards		5,926		
11.611	Manufacturing Extension Partnership		4,437,242		
11.612	Advanced Technology Program		675,369		
			1,563		
Indirect:					
11.300	Grants for Public Works and Economic Development	City of Manhattan	13,774		
11.303	Economic Development - Technical Assistance	KU Center for Research	53,817		
11.612	Advanced Technology Program	MAMTC	626,928		
TOTAL DEPARTMENT OF COMMERCE				6,100,512	0

DEPARTMENT OF DEFENSE

Direct:

12.100	Aquatic Plant Control	1,563	
12.107	Navigation Projects	58,000	
12.300	Basic and Applied Scientific Research	1,038,171	7,214
12.401	National Guard Military Operations and Maintenance (O&M) Projects	9,051,255	
12.402	National Guard Special Military Operations and Projects	4,520,823	
12.404	National Guard Civilian Youth Opportunities	450,932	
12.405	National Guard Drug Interdiction and CT Drug Activities	16,160	
12.420	Military Medical Research and Development	178,755	
12.431	Basic Scientific Research	28,732	
12.630	Basic, Applied, and Advanced Research in Science and Engineering	299,916	7,912
12.800	Air Force Defense Research Sciences Program	456,588	
12.910	Research and Technology Development	132,459	

Indirect:

12.300	Basic and Applied Scientific Research	University of Illinois	52,901	
12.300	Basic and Applied Scientific Research	University of Mississippi	343,785	
12.300	Basic and Applied Scientific Research	Utah Geological Survey	2,723	
12.300	Basic and Applied Scientific Research	KS Army National Guard	83,895	
12.300	Basic and Applied Scientific Research	KS Advanced Technologies, Inc.	5,125	
12.300	Basic and Applied Scientific Research	Astralux, Inc.	35,000	
12.300	Basic and Applied Scientific Research	Washington Group Intl.	14,082	
12.300	Basic and Applied Scientific Research	Raytheon Systems Company	72,790	
12.910	Research and Technology Development	NANTEK, Inc.	109,330	
12.910	Research and Technology Development	American XTAL Technology	21,329	
12.910	Research and Technology Development	FMA&H Corporation	1,800	

TOTAL DEPARTMENT OF DEFENSE

16,976,114 15,126

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Direct:

14.169	Housing Counseling Assistance Program	10,000	
14.195	Section 8 Housing Assistance Payments Program - Special Allocations	8,498,822	
14.218	Community Development Block Grant / Entitlement Grants	67,913	
14.228	Community Development Block Grants / State's Program	16,108,530	
14.231	Emergency Shelter Grants Program	860,032	
14.235	Supportive Housing Program	100,050	
14.239	HOME Investment Partnerships Program	7,804,056	
14.512	Community Development Work-Study Program	48,644	

Indirect:

14.512	Community Development Work-Study Program	FMA&H Corporation	50,866	
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TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

33,548,913 0

DEPARTMENT OF INTERIOR

Direct:

15.035	Forestry on Indian Lands	819	
15.222	Cooperative Inspection Agreements with States and Tribes	7,569	
15.224	Cultural Resource Management	67,766	

15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining		86,678		
15.252	Abandoned Mine Land Reclamation (AMLR) Program		1,015,675		
15.506	Water Desalination Research and Development Program		29,390		
15.605	Sport Fish Restoration		4,218,091		
15.608	Fish and Wildlife Management Assistance		41,500		
15.611	Wildlife Restoration		2,096,771		
15.615	Cooperative Endangered Species Conservation Fund		116,762		
15.617	Wildlife Conservation and Appreciation		28,517		
15.805	Assistance to State Water Resources Research Institutes		201,335	114,398	
15.808	U.S. Geological Survey - Research and Data Acquisition		466,651		
15.809	National Spatial Data Infrastructure Cooperative Agreements Program		7,500		
15.904	Historic Preservation Fund Grants-in-Aid		300,808	118,801	
15.915	Technical Preservation Services		8,634		
15.916	Outdoor Recreation - Acquisition, Development and Planning		301,706	87,875	
15.922	Native American Graves Protection and Repatriation Act		3,951		
Indirect:					
15.805	Assistance to State Water Resources Research Institute	Kansas State University	6,418		
15.805	Assistance to State Water Resources Research Institute	University of Illinois	<u>2,751</u>		
TOTAL DEPARTMENT OF INTERIOR				9,009,292	321,074
DEPARTMENT OF JUSTICE					
Direct:					
16.007	State Domestic Preparedness Equipment Support Program		4,239		
16.307	Combined DNA Index System		314,133		
16.526	Juvenile Accountability Incentive Block Grant		305,879	165,026	
16.540	Juvenile Justice and Delinquency Prevention - Allocation to States		1,033,856		
16.541	Juvenile Justice and Delinquency Prevention - Special Emphasis		3,970		
16.548	Title V - Delinquency Prevention Program		306,797		
16.549	Part E - State Challenge Activities		77,192		
16.550	State Justice Statistics Program for Statistical Analysis Centers		40,521		
16.554	National Criminal History Improvement Program (NCHIP)		372,810		
16.575	Crime Victim Assistance		2,971,748		
16.576	Crime Victim Compensation		90,036		
16.579	Byrne Formula Grant Program		4,008,497		
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program		142,825		
16.586	Violent Offender Incarceration and Truth-In-Sentencing Incentive Grants		1,423,158	785,160	
16.588	Violence Against Women Formula Grant		1,894,682	125,841	
16.592	Local Law Enforcement Block Grants Program		389,862		
16.593	Residential Substance Abuse Treatment for State Prisoners		729,474		
16.598	State Identification Systems Grant Program		52,265		
16.602	Corrections - Research and Evaluation and Policy Formulation		102,951		
16.603	Corrections - Technical Assistance / Clearinghouse		6,715		
16.606	State Criminal Alien Assistance Program		583,400		
16.607	Bulletproof Vest Partnership Program		9,260		
16.609	Planning, Implementing, and Enhancing Strategies in Community Prosecution - Gun Violence Prosecution		6,070	2,429	
16.710	Public Safety Partnership and Community Policing Grants		913,834	68,900	
16.727	Enforcing Underage Drinking Laws Program		24,278		
16.729	Drug-Free Communities Support Program Grant		3,359		
Indirect:					
16.729	Drug-Free Communities Support Program Grant	Regional Prevention Center	<u>3,359</u>		
TOTAL DEPARTMENT OF JUSTICE				15,815,170	1,147,356

DEPARTMENT OF LABOR			
Direct:			
17.002	Labor Force Statistics	940,800	
17.203	Labor Certification for Alien Workers	159,355	
17.207	Employment Service	12,745,173	1,216,317
17.225	Unemployment Insurance	4,112,686	
17.235	Senior Community Service Employment Program	1,078,324	
17.245	Trade Adjustment Assistance - Workers	4,853,203	
17.246	Employment and Training Assistance Dislocated Workers	2,646,397	
17.249	Employment Services and Job Training Pilots - Demonstrations and Research	5,939,596	
17.250	Job Training Partnership Act	356,628	62,794
17.253	Welfare-to-Work Grants to States and Localities	5,286,765	
17.258	WIA Adult Program	2,826,429	
17.259	WIA Youth Activities	2,648,605	
17.260	WIA Dislocated Workers	3,103,205	
17.503	Occupational Safety and Health - State Program	153,126	
17.504	Consultation Agreements	580,167	
17.801	Disabled Veterans' Outreach Program (DVOP)	598,180	
17.804	Local Veterans' Employment Representative Program	957,173	
Indirect:			
17.249	Employment Services and Job Training Pilots - Demonstrations and Research USD 383	19,464	
TOTAL DEPARTMENT OF LABOR			49,005,276 1,279,111
DEPARTMENT OF TRANSPORTATION			
Direct:			
20.005	Boating Safety Financial Assistance	653,012	
20.100	Aviation Education	11,740	
20.108	Aviation Research Grants	195,212	20,598
20.109	Air Transportation Centers of Excellence	1,524,128	116,180
20.205	Highway Planning and Construction	277,195,071	215,830
20.215	Highway Training and Education	33,922	18,614
20.217	Motor Carrier Safety	25	
20.218	National Motor Carrier Safety	2,328,706	
20.219	Recreational Trails Program	634,773	288,480
20.514	Transit Planning and Research	2,558	
20.600	State and Community Highway Safety	3,590,297	141,635
20.700	Pipeline Safety	355,621	
20.701	University Transportation Centers Program	17,223	
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	205,467	
Indirect:			
20.109	Air Transportation Centers of Excellence	122,702	
20.514	Transit Planning and Research	2,558	
20.701	University Transportation Centers Program	3,991	
20.701	University Transportation Centers Program	13,232	
TOTAL DEPARTMENT OF TRANSPORTATION			286,890,238 801,337
GENERAL SERVICES ADMINISTRATION			
Direct:			

30.002	United States Equal Employment Opportunity Commission (EEOC)		379,660		
TOTAL GENERAL SERVICES ADMINISTRATION				379,660	0
NATIONAL AERONAUTICS & SPACE ADMINISTRATION					
Direct:					
43.001	Aerospace Education Services Program		1,992,043	286,757	
43.002	Technology Transfer		609,547	2,008	
Indirect:					
43.001	Aerospace Education Services Program	University of Kansas CRINC	9,374		
43.001	Aerospace Education Services Program	Kansas State University	101,255		
43.001	Aerospace Education Services Program	Wichita State University	2,357		
43.001	Aerospace Education Services Program	University of Alabama	5,090		
43.001	Aerospace Education Services Program	University of Colorado - Boulder	487,294		
43.001	Aerospace Education Services Program	University of Alabama	15,313		
43.001	Aerospace Education Services Program	Johns Hopkins	5,672		
43.001	Aerospace Education Services Program	Emory University	39,248		
43.001	Aerospace Education Services Program	California Institute of Technology	54,354		
43.001	Aerospace Education Services Program	Smithsonian Astrophysical Obs.	1,657		
43.001	Aerospace Education Services Program	University of Idaho	24,709		
43.001	Aerospace Education Services Program	Research Foundation of SUNY	11,124		
43.001	Aerospace Education Services Program	American College of Sports Med.	194		
43.001	Aerospace Education Services Program	KU Center for Research	215,517		
43.001	Aerospace Education Services Program	KS Center for Research, Inc.	11,338		
43.001	Aerospace Education Services Program	KS Center for Research, Inc.	16,319		
43.001	Aerospace Education Services Program	University of Kansas	11,480		
43.001	Aerospace Education Services Program	KUCRINC	467,502		
43.002	Technology Transfer	KU Center for Research	43,482		
43.002	Technology Transfer	University of Kansas	35		
43.002	Technology Transfer	Honeywell	10,058		
43.002	Technology Transfer	KU Center for Research	84,071		
TOTAL AERONAUTICS & SPACE ADMINISTRATION				4,219,033	288,765
NATIONAL ENDOWMENT FOR THE HUMANITIES					
Direct:					
45.024	Promotion of the Arts - Grants to Organizations and Individuals		53,312		
45.025	Promotion of the Arts - Partnership Agreements		469,501	102,781	
45.149	Promotion of the Humanities - Division of Preservation and Access		15,973		
45.162	Promotion of the Humanities - Education Development and Demonstration		31,306		
45.301	Institute of Museum and Library Services		711		
45.310	State Library Program		1,033,037	365,045	
Indirect:					
45.024	Promotion of the Arts - Grants to Organizations and Individuals	National Trust for Historic Pres.	16,790		
45.024	Promotion of the Arts - Grants to Organizations and Individuals	KS Arts Commission	31,345		
45.024	Promotion of the Arts - Grants to Organizations and Individuals	New England Foundation For the Arts	1,750		
45.024	Promotion of the Arts - Grants to Organizations and Individuals	Heartland Arts Fund	5,000		
45.024	Promotion of the Arts - Grants to Organizations and Individuals	Cornell University	15,973		
TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES				1,674,698	467,826

NATIONAL SCIENCE FOUNDATION			
Direct:			
47.041	Engineering Grants	1,382,416	81,251
47.046	Research, Evaluation and Communication	20,456	2,443
47.049	Mathematical and Physical Sciences	2,116,732	12,598
47.050	Geosciences	196,218	
47.070	Computer and Information Science and Engineering	808,088	
47.073	Integration of Research and Education	99,241	
47.074	Biological Sciences	3,461,584	158,570
47.075	Social, Behavioral, and Economic Sciences	71,354	
47.076	Education and Human Resources	1,645,562	292,044
47.078	Polar Programs	52,621	36,786
Indirect:			
47.041	Engineering Grants	Ohio State University Res. Fd.	1697
47.041	Engineering Grants	KU Center for Research	17005
47.041	Engineering Grants	Ritec, Inc.	50201
47.041	Engineering Grants	KUCRINC	12920
47.049	Mathematical and Physical Sciences	University of Notre Dame	18798
47.049	Mathematical and Physical Sciences	U.S. Civilian R&D Foundation	1539
47.049	Mathematical and Physical Sciences	Louisiana State University	9960
47.050	Geosciences	Cornell University	20135
47.070	Computer and Information Science and Engineering	University of Massachusetts	26281
47.070	Computer and Information Science and Engineering	University of California - Berkeley	1173
47.074	Biological Sciences	University of California - Davis	399236
47.074	Biological Sciences	University of New Mexico	13384
47.074	Biological Sciences	Marine Biological Lab	43293
47.074	Biological Sciences	Arizona State University	18083
47.074	Biological Sciences	KU Center for Research	168249
47.075	Social, Behavioral, and Economic Sciences	Pennsylvania State University	22251
47.075	Social, Behavioral, and Economic Sciences	KU Center for Research	525282
47.075	Education and Human Resources	Am. Association for Adv. Of Science	1875
47.076	Education and Human Resources	KUCRINC	319479
TOTAL NATIONAL SCIENCE FOUNDATION			
		11,525,113	583,692
SMALL BUSINESS ADMINISTRATION			
Direct:			
59.037	Small Business Development Center	1,107,194	
Indirect:			
59.037	Small Business Development Center	Fort Hays State University	123,905
TOTAL SMALL BUSINESS ADMINISTRATION			
		1,231,099	0
DEPARTMENT OF VETERANS AFFAIRS			
Direct:			
64.005	Grants to States for Construction of State Home Facilities	402,199	
TOTAL DEPARTMENT OF VETERANS AFFAIRS			
		402,199	0

ENVIRONMENTAL PROTECTION AGENCY

Direct:

66.001	Air Pollution Control Program Support	677,822	85,328
66.032	State Indoor Radon Grant	110,715	
66.419	Water Pollution Control - State and Interstate Program Support	172,528	
66.433	State Underground Water Source Protection	271,377	
66.454	Water Quality Management Planning	165,317	
66.458	Capitalization Grants for State Revolving Funds	308,078	
66.460	Nonpoint Source Implementation Grants	789,262	395,403
66.461	Wetlands Grants	97,560	
66.463	Water Quality Cooperative Agreements	46,236	
66.467	Wastewater Operator Training Grant Program (Technical Assistance)	37,225	
66.468	Capitalization Grants for Drinking Water State Revolving Fund	538,679	164,801
66.500	Environmental Protection - Consolidated Research	1,316,108	737,645
66.604	Environmental Justice Grants to Small Community Groups	2,812	
66.605	Performance Partnership Grants	2,299,334	29,950
66.606	Surveys, Studies, Investigations and Special Purpose Grants	359,359	255,920
66.607	Training and Fellowships for the Environmental Protection Agency	6,564	
66.708	Pollution Prevention Grants Program	86,317	
66.801	Hazardous Waste Management State Program Support	871,847	
66.802	Superfund State Site - Specific Cooperative Agreements	478,578	
66.804	State and Tribal Underground Storage Tanks Fund	184,041	
66.805	Leaking Underground Storage Tank Trust Fund Program	542,365	
66.809	Superfund State Core Program Cooperative Agreements	401,400	
66.950	Environmental Education and Training Program	3,607	

Indirect:

66.032	State Indoor Radon Grants	Nebraska DHHS	26,377
66.032	State Indoor Radon Grants	Michigan DEQ	14,697
66.032	State Indoor Radon Grants	University of Minnesota	2,013
66.419	Water Pollution Control - State and Interstate Program Support	Nebraska DEQ	8,031
66.433	State Underground Water Source Protection	Thomas County Conservation District	5,302
66.460	Nonpoint Source Implementation Grants	Cheney Lake Project	10,351
66.500	Environmental Protection - Consolidated Research	Wichita State University	16,411
66.500	Environmental Protection - Consolidated Research	KU Center for Research	73,858
66.500	Environmental Protection - Consolidated Research	KUCRINC	48,841
66.606	Surveys, Studies, Investigations and Special Purpose Grants	Colorado State University	13,477
66.950	Environmental Education and Training Program	Haskell Indian Nations University	3,607

TOTAL ENVIRONMENTAL PROTECTION AGENCY

9,990,096

1,669,047

DEPARTMENT OF ENERGY

Direct:

81.041	State Energy Program	285,716	56,947
81.042	Weatherization Assistance for Low-Income Persons	1,369,575	
81.049	Office of Science Financial Assistance Program	4,967,462	
81.086	Conservation Research and Development	225,606	
81.087	Renewable Energy Research and Development	127,162	
81.114	University Nuclear Science and Reactor Support	180,965	
81.119	State Energy Program Special Projects	137,593	60,183

Indirect:

81.049	Office of Science Financial Assistance Program	University of Nebraska	154,220
81.049	Office of Science Financial Assistance Program	University of California	42,777
81.049	Office of Science Financial Assistance Program	Mississippi State	437
81.049	Office of Science Financial Assistance Program	Iowa State University	4,798

81.049	Office of Science Financial Assistance Program	Fermilab	156,665		
81.049	Office of Science Financial Assistance Program	Sandia National Laboratories	125,630		
81.049	Office of Science Financial Assistance Program	Argonne National Lab	2,923		
81.049	Office of Science Financial Assistance Program	Global Technologies, Inc.	12,840		
81.087	Renewable Energy Research and Development	Consortium Plant Biotech Research	13,173		
TOTAL DEPARTMENT OF ENERGY				7,807,542	117,130
UNITED STATES INFORMATION AGENCY					
Direct:					
82.001	Educational Exchange - Graduate Student		77216		
82.002	Education Exchange - University Lectures and Research		412		
TOTAL UNITED STATES INFORMATION AGENCY				77,628	0
FEDERAL EMERGENCY MANAGEMENT AGENCY					
Direct:					
83.536	Flood Mitigation Assistance		34,958		
83.543	Individual and Family Grant		242,939		
83.544	Public Assistance Grant		3,944,478		
83.548	Hazard Mitigation Grant		2,269,542		
83.552	Emergency Management Performance Grant		1,391,442		
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY				7,883,359	781,319
DEPARTMENT OF EDUCATION					
Direct:					
84.002	Adult Education - State Grant Program		3,224,446		
84.004	Civil Rights Training and Advisory Services		755,043		
84.007	Federal Supplemental Educational Opportunity Grants		2,180,691		
84.010	Title 1 Grants to Local Educational Agencies		56,090,301		
84.011	Migrant Education - Basic State Grant Program		10,751,438		
84.013	Title I Program for Neglected or Delinquent Children		587,720		
84.015	National Resource Centers and Fellowships Program for Language and Area or Language and International Studies		143,655		
84.016	Undergraduate International Studies and Foreign Language Programs		69,106		
84.023	Field Initiated Resources		129,412	82,520	
84.024	Outreach Projects / Empowerment Zones		566,563	49,690	
84.025	Handicapped Education - Near / Blind Centers		(13)		
84.027	Special Education - Grants to States		45,902,643		
84.029	Training of Personnel / Low Income Handicapped		502,903	3,311	
84.031	Higher Education - Institutional Aid		137,701		
84.032	Federal Family Education Loans		89,442,529		
84.033	Federal Work-Study Program		3,716,849		
84.034	Public Library Services		1,015		
84.038	Federal Perkins Loan Program - Federal Capital Contributions		2,665,612		
84.042	TRIO - Student Support Services		882,296		
84.044	TRIO - Talent Search		406,805		
84.047	TRIO - Upward Bound		1,963,378		
84.048	Vocational Education - Basic Grants to States		11,110,482		
84.051	National Vocational Education Research		3,950		
84.063	Federal Pell Grant Program		29,472,167		
84.069	Leveraging Educational Assistance Partnership		451,883		

84.086	Outreach Service Students Severely Disabled Integration	53	
84.116	Fund for the Improvement of Postsecondary Education	517,550	34,370
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States	21,677,024	
84.129	Rehabilitation Long-Term Training	118,293	
84.133	National Institute on Disability and Rehabilitation Research	347,229	
84.158	Model Demonstration Projects	(969)	
84.161	Rehabilitation Services - Client Assistance Program	115,024	
84.162	Immigrant Education	1,207,674	
84.168	Eisenhower Professional Development - Federal Activities	132,703	
84.169	Independent Living - State Grant	262,405	
84.173	Special Education - Preschool Grants	4,436,152	
84.177	Rehabilitation Services - Independent Living Services for Older Individuals Who are Blind	433,375	
84.180	Technology, Educational Media, and Materials	(41)	
84.181	Special Education - Grants for Infants and Families with Disabilities	3,414,675	
84.185	Byrd Honors Scholarships	387,303	
84.186	Safe Drug-Free Schools and Communities - State Grants	3,580,417	
84.187	Supported Employment Services for Individuals with Severe Disabilities	302,350	
84.194	Bilingual Education Support Services	124,237	
84.195	Bilingual Education - Professional Development	957,074	
84.196	Education for Homeless Children and Youth	208,438	
84.213	Even Start - State Educational Agencies	877,528	
84.215	Fund for the Improvement of Education	279,651	
84.216	Capital Expenses	38,936	
84.217	McNair Post - Baccalaureate Achievement	417,437	
84.224	Assistive Technology	524,955	190,267
84.237	Secondary School Based Practices	205,008	
84.243	Tech - Prep Education	1,170,328	
84.262	Minority Teacher Recruitment	3,319	
84.265	Rehabilitation Training - State Vocational Rehabilitation Unit In-Service Training	64,526	
84.268	Federal Direct Loan	49,378,775	
84.276	Goals 2000 - State and Local Education Systemic Improvement Grants	4,825,348	
84.281	Eisenhower Professional Development State Grants	2,724,517	
84.282	Charter Schools	108,021	
84.287	Twenty-First Century Community Learning Centers	38,729	
84.289	Bilingual Education - Program Enhancement Grants	5,566	
84.298	Innovative Education Program Strategies	3,428,246	
84.302	Regional Technical Support and Professional Development Consortia	516,184	454,398
84.303	Technology Innovation Challenge Grants	42,624	
84.305	National Institute on Student Achievement, Curriculum, and Assessment	279	
84.309	National Institute on Postsecondary Education, Libraries, and Lifelong Learning	65,667	
84.318	Technology Literacy Challenge Fund Grants	2,432,535	
84.323	Special Education - State Program Improvement Grants for Children with Disabilities	541,724	452,244
84.324	Special Education - Research and Innovation to Improve Services and Results for Children with Disabilities	115,694	
84.325	Special Education - Personnel Preparation to Improve Services and Results for Children with Disabilities	364,514	
84.326	Special Ed - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	118,324	
84.330	Advanced Placement Incentive Program	277,165	
84.332	Comprehensive School Reform Demonstration	1,661,320	
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	383,155	
84.336	Teacher Quality Enhancement Grants	1,140,110	483,248
84.338	Reading Excellence	2,977,828	
84.339	Learning Anytime Anywhere Partnerships	232,861	76,745
84.340	Class Size Reduction	10,268,855	
84.342	Preparing Tomorrow's Teachers to Use Technology	1,127,379	86,706
84.346	Occupational and Employment Information State Grants	75,404	26,883
84.348	Title I Accountability Grants	976,639	
Indirect:			
84.002	Adult Education - State Grant Program	University of Oklahoma	26,443

84.116	Fund for the Improvement of Postsecondary Education	Western Coop for Education Telecom	27,976		
84.276	Goals 2000 - State and Local Education Systemic Improvement Grants	Royal Valley USD 337	8,133		
84.287	Twenty-first Century Community Learning Centers	USD 383	28,931		
84.298	Innovative Education Program Strategies	National Writing Project Corp.	18,605		
84.032	Federal Family Education Loans	University of Kansas	111,278		
84.305	National Institute on Student Achievement, Curriculum, and Assessment	University of Kansas	279		
84.336	Teacher Quality Enhancement Grants	Western Kentucky University	63,946		
84.342	Preparing Tomorrow's Teachers To Use Technology	University of Northern Iowa	30,366		
84.342	Preparing Tomorrow's Teachers To Use Technology	N. Central KS Education Service Ctr.	4,192		
84.342	Preparing Tomorrow's Teachers To Use Technology	USD 378	74,198		
84.342	Preparing Tomorrow's Teachers To Use Technology	Barnes USD 232	4,379		
TOTAL DEPARTMENT OF EDUCATION				387,187,419	1,940,382

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Direct:

93.041	Special Programs for the Aging - Prevention of Elder Abuse, Neglect and Exploitation	27,267		
93.042	Special Programs for the Aging - Long Term Care Ombudsman Services for Older Individuals	231,585		
93.043	Special Programs for the Aging - Disease Prevention and Health Promotion Services	192,849		
93.044	Special Programs for the Aging - Grants for Supportive Services and Senior Centers	3,565,284		
93.045	Special Programs for the Aging - Nutrition Services	6,098,581		
93.048	Special Programs for the Aging - Training, Research and Discretionary Projects and Programs	54,868		
93.052	Nation Family Caregiver Support Program	5,659		
93.113	Biological Response to Environmental Health Hazards	917,524		
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	219,668		
93.118	Acquired Immunodeficiency Syndrome (AIDS) Activity	2,172,440		
93.119	MH - Aids Integration Project	35,433		
93.121	Oral Diseases and Disorders Research	231,596		
93.124	Nurse Anesthetist Traineeships	20,270		
93.127	Emergency Medical Services for Children	108,710		
93.128	Alcohol and Drug Data Collection	125,802		
93.130	Primary Care Services - Resource Coordination and Development - Primary Care Offices	93,055		
93.136	Injury Prevention and Control Research and State and Community Based Programs	606,054		
93.145	AIDS Education and Training Centers	56,475		
93.150	Projects for Assistance in Transition from Homelessness (PATH)	282,486		
93.157	Centers of Excellence	606,307		
93.173	Research Related to Deafness and Communication Disorders	956,811	68,270	
93.184	Disabilities Prevention	259,114		
93.185	Immunization Research, Demonstration, Public Information and Education	12,874		
93.192	Quentin N. Burdick Programs for Rural Interdisciplinary Training	172,120	33,688	
93.194	Community Prevention Coalitions (Partnership) Demonstration Grant	19,409		
93.197	Childhood Lead Poisoning Prevention Projects	517,409	27,400	
93.211	Rural Telemedicine Grants	96,874		
93.217	Family Planning - Services	1,965,533		
93.226	Research on Healthcare Costs, Quality and Outcomes	139,812		
93.230	Consolidated Knowledge Development and Application (KD&A) Program	1,956,797	75,500	
93.234	Traumatic Brain Injury - State Demonstration Grant Program	234		
93.241	State Rural Hospital Flexibility Program	810,553		
93.242	Mental Health Research Grants	1,007,411		
93.244	Mental Health Clinical and AIDS Service-Related Training Grants	73		
93.246	Health Centers for Migrant and Seasonal Farmworkers	359,937	78,000	
93.247	Advanced Education Nursing Grant Program	118,418		
93.250	Geriatric Academic Career Award	59,328		
93.262	Occupational Safety and Health Research Grants	24,410		
93.268	Immunization Grant	1,266,796	321,329	
93.273	Alcohol Research Programs	48,809		

93.274	Clinical Training Grant for Faculty Development in Alcohol and Drug Abuses	194,088	
93.277	Drug Abuse Scientist Development Awards	94,606	
93.279	Drug Abuse Research Programs	154,097	
93.281	Mental Health Research Career / Scientist Development Awards	127,375	
93.283	Centers for Disease Control and Prevention - Investigations and Technical Assistance	387,026	
93.298	Nurse Practitioner and Nurse-Midwifery Program	15,215	56,927
93.306	Comparative Medicine	529,749	
93.342	Health Professions Student Loans, Including Primary Care Loans / Loans for Disadvantaged Students	153,879	
93.358	Advanced Education Nursing Traineeships	187,209	
93.359	Basic Nurse Education and Practice Grants	105,979	
93.361	Nursing Research	897,552	20,140
93.364	Nursing Student Loans	108,550	
93.373	Alcohol Research Programs	221,279	
93.389	Research Infrastructure	333,217	
93.390	Academic Research Enhancement Award	89,039	
93.395	Cancer Treatment Research	584,195	
93.396	Cancer Biology Research	470,074	
93.397	Cancer Centers Support Grants	591,184	
93.398	Cancer Research Manpower	119,201	
93.399	Cancer Control	1,438,073	406,775
93.556	Promotion Safe and Stable Families	2,831,394	
93.558	Temporary Assistance for Need Families	83,325,296	
93.563	Child Support Enforcement	33,180,499	
93.566	Refugee and Entrant Assistance - State Administered Programs	637,348	
93.568	Low-Income Home Energy Assistance	20,242,673	
93.569	Community Services Block Grant	4,381,140	
93.570	Community Services Block Grant - Discretionary Awards	56,771	
93.571	Community Services Block Grant Discretionary Awards - Community Food and Nutrition	27,645	
93.575	Child Care and Development Block Grant	6,331,814	
93.576	Refugee and Entrant Assistance - Discretionary Grants	315,222	
93.585	Urban Enterprise	37,500	
93.586	State Court Improvement Grant	105,547	
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	42,588,886	1,100,000
93.597	Grants to States for Access and Visitation Programs	123,683	
93.600	Head Start	2,757,377	
93.603	Adoption Incentive Payments	842,000	
93.630	Developmental Disabilities Basic Support and Advocacy Grants	646,389	
93.631	Developmental Disabilities Projects of National Significance	40,107	
93.632	Developmental Disabilities University Affiliated Programs	278,115	
93.643	Children's Justice Grants to States	95,943	
93.645	Child Welfare Services - State Grants	3,648,003	
93.652	Adoption Opportunities	85,961	
93.658	Foster Care - Title IV-E	36,811,575	
93.659	Adoption Assistance	16,241,116	
93.666	Head Start Bureau	26	
93.667	Social Services Block Grant	26,166,735	
93.669	Child Abuse and Neglect State Grants	696,439	
93.671	Family Violence Prevention and Services	788,020	
93.674	Independent Living	1,098,079	
93.767	State Children's Insurance Program	22,020,046	
93.768	Medicaid Infrastructure Grants To Support the Competitive Employment of People with Disabilities	57,932	
93.775	State Medicaid Fraud Control Units	507,543	
93.777	State Survey and Certification of Health Care Providers and Suppliers	3,949,899	275,655
93.778	Medical Assistance Program	1,036,448,018	142,499
93.779	Health Care Financing Research, Demonstrations and Evaluations	298,594	
93.802	Disability Determination Services	12,396,833	
93.820	Scholarships for Students of Exceptional Financial Need	32,772	
93.821	Cell Biology and Biophysics Research	1,226,312	156,637

93.822	Health Careers Opportunity Program	682,926	
93.837	Heart and Vascular Diseases Research	673,211	1,163
93.838	Lung Diseases Research	663,578	
93.839	Blood Diseases and Resources Research	205,724	
93.846	Arthritis, and Musculoskeletal and Skin Diseases Research	767,092	192,825
93.847	Diabetes, Endocrinology and Metabolism Research	718,526	
93.848	Digestive Diseases and Nutrition Research	195,145	
93.849	Kidney Diseases, Urology and Hematology Research	2,077,168	90,138
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	241,794	
93.854	Neurological Disorders and Stroke	1,909,908	40,198
93.855	Allergy, Immunology and Transplantation Research	139,420	
93.856	Microbiology and Infectious Diseases Research	715,577	
93.859	Pharmacology, Physiology, and Biological Chemistry Research	620,544	
93.862	Genetics and Developmental Biology Research and Research Training	203,258	
93.864	Population Research	1,881,649	
93.865	Center for Research for Mothers and Children	4,171,350	164,614
93.866	Aging Research	1,921,736	27,190
93.867	Vision Research	641,842	
93.886	Physician Assistant Training in Primary Care	65,132	
93.887	Project Grants for Renovation or Construction of Non-Acute Health Care Facilities and Other Facilities	1,418,761	
93.894	Resource and Manpower Development in the Environmental Health Sciences	57,948	
93.896	Predoctoral Training in Primary Care (Family Medicine, General Internal Medicine/General Pediatrics)	299,205	
93.900	Division of Medicine	217,385	
93.913	Grants to States for Operation of Offices of Rural Health	67,455	
93.917	HIV Care Formula Grant	2,573,712	
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	1,045,821	
93.925	Scholarships for Health Professions Students from Disadvantaged Backgrounds	748,702	
93.926	Healthy Start Initiative	154,019	
93.929	Center for Medical Rehabilitation Research	182,912	
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV	146,169	63,336
93.945	Assistance Programs for Chronic Disease Prevention and Control	69,871	
93.951	Demographic Grants to States with Respect to Alzheimer's	70	
93.958	Block Grants for Community Mental Health Services	2,577,837	
93.959	Block Grants for Prevention and Treatment of Substance Abuse	11,657,180	
93.969	Grants for Geriatric Education Centers	217,655	54,643
93.977	Prevention Health Services - Sexually Transmitted Diseases Control Grants	701,850	
93.984	Academic Administrative Units in Primary Care	227,442	
93.991	Preventive Health and Health Services Block Grant	1,024,504	379,695
93.993	Diabetes and Digestive and Kidney Diseases	299,762	
93.994	Maternal and Child Health Services Block Grant to the States	4,956,158	
Indirectly:			
93.113	Biological Response to Environmental Health Hazards	Texas Tech U Health SC Center	56,675
93.118	Acquired Immunodeficiency Syndrome (AIDS) Activity	University of Colorado	4,375
93.121	Oral Diseases and Disorders Research	Washington University	42,851
93.145	AIDS Education and Training Centers	University of Colorado	56,475
93.173	Research Related to Deafness and Communication Disorders	Western Michigan University	9,587
93.247	Advanced Education Nursing Grant Program	University Missouri - KC	64,878
93.247	Advanced Education Nursing Grant Program	University of KS Medical Center	53,540
93.279	Drug Abuse Research Programs	University of Alabama	1,764
93.283	Centers for Disease Control - Investigations and Technical Assistance	American Psychiatric Association	1,130
93.389	Research Infrastructure	University of Kansas CRINC	18,657
93.389	Research Infrastructure	KU Center for Research	297,734
93.395	Cancer Treatment Research	Northwestern University	2,850
93.396	Cancer Biology Research	KU Center for Research	49,397
93.396	Cancer Biology Research	University of NE Medical Ctr.	13,404
93.600	Head Start	Manhattan - Ogden Head Start	9,217
93.778	Medical Assistance Program	Brandeis University	21,427

93.779	Health Care Financing Research, Demonstrations and Evaluations	Univ. of California - San Francisco	3,249		
93.837	Heart and Vascular Diseases Research	Supergen	29,746		
93.837	Heart and Vascular Diseases Research	Medical Center of South Carolina	81,992		
93.846	Arthritis, Musculoskeletal and Skin Diseases Research	University Missouri - KC	6,342		
93.846	Arthritis, Musculoskeletal and Skin Diseases Research	Palmer Chiropractic	89,619		
93.853	Extramural Research Programs in the Neurosciences / Neurological Disorders	Henry Ford High School	117,612		
93.854	Neurological Disorders and Stroke	Boston University	46,837		
93.856	Microbiology and Infectious Diseases Research	University of Alabama @ Birmingham	89,167		
93.866	Aging Research	Boston University	8,941		
93.866	Aging Research	University of Missouri	4,347		
93.866	Aging Research	Washington University	8,607		
93.926	Healthy Start Initiative	Heart of America	154,019		
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				1,442,049,911	3,776,622
CORPORATION FOR NATIONAL & COMMUNITY SERVICE					
Direct:					
94.003	State Commissions		89,020		
94.004	Learn and Serve America - School and Community Based Programs		333,883		
94.005	Learn and Serve America - Higher Education		151,677		61,457
94.006	AmeriCorps		2,428,186		
94.007	Planning and Program Development Grants		93,263		
94.009	Training and Technical Assistance		69,883		
94.011	Foster Grandparent Program		364,883		
94.016	Senior Companion Program		356,306		
94.342	Health Professions Student Loans		341,440		
TOTAL CORPORATION FOR NATIONAL & COMMUNITY SERVICE				4,228,541	61,457
NON-CATALOG MISCELLANEOUS					
Direct:					
19.406	Educational Partnerships Program		31,928		
19.411	Educational Exchange - NIS Secondary School Initiative		118,665		
19.420	Cooperative Grants		4,645		
98.076	Title VIB - Special Projects		9,982		
DACW5600M0026			8,546		
DAAD16-99-P-1430			16,637		
DAAD16-00-P-0569			18,073		
DAAD16-99-P-1442			21,316		
DACA 8899D 0006#0001			21,058		
DAAD19-99-1-0156			74,612		
DAAD19-99-1-0090			147,691		
DAAD19-99-1-0228			79,643		
DASG60-99-C-0051			15,475		
DASG60-99-C-0055			18,350		
DASG60-00-C-0020			200,646		
DAAD19-00-1-0042			130,000		
DAAD19-00-1-0055			173,684		
DAAD19-00-1-0151			264,355		
DAAD19-00-1-0410			99,392		
DASG60-00-1-0002			87,802		
DAKF19-00-M-0282			8,625		
DAAG55-98-1-0274			46,931		
DAAG55-98-1-0301			29,572		

DSWA01-98-1-0014	30,349
DAAD1300D50020001	87,482
DACA31-00-P-0788	1,240
DAAD1300D50020002	54,248
DAAD1300D50020003	329,487
DAAD19-01-1-0413	36,594
DACA88-99-D-00060002	100,770
DAAD19-01-0564	3,429
DAAD1300D50020004	382
DABT 19-91-H-0007	71,502
Safety Belt Survey	36,672
OP 00/02-01-03-05	29,888
C1155	71,449
509007003	46,749
C1232	117,368
97-084	32,262
NPS 2K-034	3,182
NPS2K-017	77,760
2K-050	36,905
97-083	67,879
Public Info Assist Yr. 10	42,628
KATS 14 Reg Analy Trng.	7,189
Compreh. Envir. Assist.	35,259
Pollution Prev. Enhancem.	39,419
KS Radon Projects	98,868
99-004	14,189
99-057	(3,002)
NPS 2K-045	68,232
NPS 2K1-001/AMEND 34	578
Carbon Sequestration	1,239
99560	2,009
00555	86,550
EMK-2000-SA-0058	3,629
Intergovernmental Personnel Act	82,456
Special Care Curriculum & Trng.	20,869
21017	10,576
652-96-1081	9,678
New Teachers in Ag Ed	2,806
652-96-1081	410
Health Careers Pathways	5,397
2000-115	(469)
Mental Health & Aging	67,286
270-95-0029-KSU	2,325
2001-157	40,480
2000-04	69,188
2001-157	461,809
#01-186-2011-000	1,128
186-99-3085	1,282
186-99-3090	16
1999UMWX3107	60,497
2060-98-030	64,090
HO29A7012798	387
HO29A970127-99	176,297
1PO9 OA00015-01	259,252
1 D24 NU00852-01	14,781
5 D24 HP00852-02	329,801
UMKC D23NU01308A	70,207
R01 HD38429 Florida	8,755

2RO1 CA61262-05		133,144			
5RO1 CA40847-12		-498			
2RO1CA72987-05		36,424			
2RO1 CA58030-06		76,929			
1RO1 CA85930-01		143,397			
1RO1 CA75911-01A		141,354			
1RO1 CA7591101A		445			
1RO1 CA82056-01		178,679			
DGE-0075159		26,117			
N01-CN-65019		84,902			
N02-CO-01110		1,013,980			
N02-CO-81110		10,920			
N1HD13313		16,812			
N1HD13313		24,362			
NAG 2-1016		3,526			
V101(223B)-4119	State Approving Agency Reimbursement Grants	115,370			
Not available	MHRS Federal Education Grants	595			
Not available	Unmet Needs	4,466,317			
Not available	State Legal Impact Assistance Grant Fund	9,546			
Not available	Diagnostic X-Ray Program	82,652			
Not available	National Center for Health Statistics Fund	210,266			
Not available	Early Childhood Development for Handicapped Children	43,068			
Not available	Special Child Clinic Program	2,100			
Not available	Special Education - Make A Difference	30,622			
Not available	Census Of Traumatic Occup Fatal-Fed Fund	87,433			
Not available	Census Of Traumatic Occup Fatal-Fed Fund	89,559			
Not available	Child Care Facilities Licensure Fund	1,392,942			
Not available	Title IV-E Federal Fund	497,481			
Not available	Radiology Environmental Cooperative Monitor Fund	18,519			
Not available	High Intensity Drug Trafficking Areas Program	2,959,861			
Indirect:					
NO1-85181	University of Alabama	58,105			
TOTAL NON-CATALOG MISCELLANEOUS			16,974,244		
TOTAL CASH FEDERAL EXPENDITURES		2,476,079,424	2,476,079,424	13,699,499	13,699,499
FEDERAL NON-CASH EXPENDITURES:					
DEPARTMENT OF AGRICULTURE					
10.551	Food Stamps (Electronic Benefit Transfers)	89,183,403			
10.565	Commodity Supplemental Food Program	259,643			
10.570	Nutrition Program for the Elderly	1,485,414			
TOTAL DEPARTMENT OF AGRICULTURE		90,928,460			
TOTAL NON-CASH FEDERAL EXPENDITURES			90,928,460		
TOTAL FEDERAL EXPENDITURE			\$2,567,007,884	\$13,699,499	
			2,580,707,383		

STATE OF KANSAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2001

1 - Basis of Accounting

Except for certain noncash federal award programs, the accompanying schedule is presented on a basis of cash receipts and disbursements. Expenditures are reported when State warrants are requested to be issued. Fiscal year records remain open through the second Monday in July to process and record all vouchers and other pay documents for items or services received by the State prior to July.

Commodity food distribution is presented at the value assigned to the commodities by the federal granting agency.

Food stamps are presented on the basis of the redeemable value of the food stamps distributed.

Higher Education Act insured loans and revolving fund loans are presented on the basis of the amount of loans awards.

2 - Student Financial Assistance Programs

Federal funded student financial assistance programs are administered for the State of Kansas by the various Board of Regents institutions. The programs at each institution are administered separately from those of any other institution and are listed separately in the accompanying schedule. Totals for each program are presented below:

CFDA #		
84.007	Supplemental Education Opportunity Grants	\$ 1,921,569
84.032	Federal Family Education Loan Program	89,442,529
84.033	Federal Work Study Program	3,716,849
84.038	Perkins Loan Program	2,657,845
84.063	Pell Grant Program	21,327,244
84.268	Federal Direct Loan	49,378,775
93.342	Health Professions Student Loans, including Primary Care Loans/Loans for Disadvantaged Students	495,319
93.364	Nursing Student Loans	108,550

Guaranteed Student Loans, Health Education Assistance Loans and Federal Family Education Loans are made by financial institutions rather than by the educational institution.

STATE OF KANSAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Year Ended June 30, 2001

3 - Revolving Loan Fund

The Community Development Block Grant (administered by the Kansas Department of Commerce and Housing), the Water Pollution Control Revolving Loan Fund and the Public Water Supply Revolving Loan Fund (both administered by the Kansas Department of Health and Environment) are revolving loan funds. The value of the loans associated with these programs is summarized as follows:

	CFDA Number	July 1, 2000 Balance	New Loans	Repayments	June 30, 2001 Balance
Community Development Block Grant Loans	14.228	\$22,043,509	\$2,291,726	\$4,299,707	\$20,035,528
Water Pollution Control Revolving Loan Fund	66.458	208,716,803	64,237,374	12,580,819	260,373,358
Public Water Supply Revolving Loan Fund	66.468	50,487,336	14,551,628	2,162,756	62,876,208

STATE OF KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Fiscal Year Ended June 30, 2001

Part I - Summary of Auditor's Results

1. The independent auditors' report on the financial statements expressed a qualified opinion due to the lack of determination of whether certain component units should be included in the reporting entity.
2. One reportable condition in internal control over financial reporting was identified but was not considered to be a material weakness.
3. No instances of noncompliance considered material to the financial statements were disclosed by the audit.
4. The audit disclosed findings related to internal control over compliance with requirements applicable to major federal awards programs that are required to be reported.
5. The independent auditor's report on compliance with requirements applicable to major federal award programs expressed an unqualified opinion.
6. The audit disclosed findings required to be reported by OMB Circular A-133.
7. The State's major programs were:

Name of Federal Program	CFDA Number
Special Supplemental Food Program - WIC	10.557
Food Stamps Cluster	10.551, 10.561
Rehabilitation Services	84.126
Social Service Block Grant	93.667
Medicaid Cluster	93.775, 93.777, 93.778
Foster Care Program IV-E	93.658
Research and Development Cluster	Various
Student Financial Aid Cluster	84.007, 84.032, 84.033, 84.038, 84.063, 84.268, 93.108, 93.342, 93.364, 93.925
National Guard Cluster	12.401, 12.402, 12.404, 12.405

8. A threshold of \$ 7,900,000 was used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133.
9. The State did not qualify as a low-risk auditee as that term is defined in OMB Circular A-133.

Part II - Financial Statement Findings

Finding No. 01-1

Reportable Condition – Reporting Assets and Liabilities of the State of Kansas

Condition – The combined financial statements of the State are prepared on a basis of cash receipts and disbursements which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). The combined financial statements, therefore, do not include certain assets and liabilities of the State nor do the accounting systems and processes of the State generally accumulate and capture such information relating to these assets and liabilities. Some of the more significant assets and liabilities include:

- Fixed assets, including infrastructure;
- Salaries payable and compensated absences; and
- Receivables from third parties.

Management is responsible for establishing and maintaining internal control. While it is understood that in fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal controls, policies, and procedures, such judgments can only be accomplished if accurate and reliable information is produced by the reporting systems for management's use. The objectives of internal control are to provide management with reasonable, but not absolute, assurance regarding the achievement of these objectives in the following categories: reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Obviously, inherent in these objectives is the safeguarding of assets. In the existing system, management is not provided with nor does it have access to information regarding many significant assets and liabilities of the State.

Questioned Costs – None

Recommendation – We are aware the Division of Accounts and Reports initiated a GAAP conversion project in December of 1999, and it is our understanding the Division is in the final phase of the project. We recommend the Division timely complete the final phase. Further, in anticipation of converting the June 30, 2001 financial statements to GAAP, we recommend the Division develop a “GAAP Financial Statement Preparation Plan” that includes the steps required, personnel responsible, and timeline. A written plan will enable the Division to adequately manage the process and ensure timely completion.

Part III - Federal Award Findings and Questioned Costs

Finding No. 01-2

Federal Program – Medicaid Cluster (CFDA No. 93.775, 93.777, 93.778)

Condition – The State utilizes BlueCross/BlueShield of Kansas (BCBS) to process provider claim payments under the Medicaid program. The Department of Social and Rehabilitation Services has historically relied upon the controls of BCBS in the processing of these claim payments. A complete review of the controls related to the claim payment process has not been performed by a third party and a SAS No. 70 report has not been received. SAS No. 70 provides guidance on the factors an independent auditor should consider when auditing the financial statements of an entity that uses a service organization to process certain transactions. The user auditor should consider the effect of the service organization on the internal control of the user organization (the State) and the availability of evidence to obtain the necessary understanding of the user organization's internal control in the order to plan an audit, assess control risk at the user organizations and perform substantive tests.

Criteria – The Office of Management and Budget (OMB) Compliance Supplement for the Medicaid Cluster recommends that a SAS 70 report be received in order to document the understanding of and gain reliance on, any outside service organization's controls.

Effect – Provider payments on Medicaid claims are processed by BCBS. If the proper controls are not in place and are not being adequately monitored, provider payments may be incorrectly processed.

Questioned Costs – None.

Recommendation – The Department of Social and Rehabilitation Services (SRS) should request BCBS to provide annually, a SAS 70 report on internal control over its provider claims processing for the Medicaid program. Any other areas of processing which are significant to the Medicaid program should also be covered by the report. If the report discusses internal control weaknesses in BCBS's processing, additional controls would need to be implemented at the State to ensure proper processing of provider claims.

Finding No. 01-3

Federal Program – National Guard Military Operations and Maintenance Projects (CFDA No. 12.401)

Condition – There are three separate accounting systems being maintained to track the use of federal grant money; the USPFO, the State, and the Program Manager. None of these three systems are reconciled on a consistent basis until the end of the federal fiscal year. There are opportunities for reconciliation each month when the Status of Funding Letter is created.

Criteria – The monthly Status of Funding Letters should be in agreement at all times between the USPFO, the State and the Program Manager.

Effect – Federal grant money may be overspent and not be detected until the end of the federal fiscal year.

Recommendation – The Status of Funding Letters should be reconciled each month between the State and the Program Manager. This process should be done before the letter is sent to the USPFO to avoid further confusion when the USPFO is reconciling this letter to their records.

Finding No. 01-4

Federal Program – Vocational Rehabilitation Services (CFDA No. 84.126)

Condition – For two of the twenty-three participants selected for testing, the length of time between the participant's application date and the date of the eligibility determination as shown on the participant's certificate of eligibility, was greater than the maximum of sixty days. One participant's certificate was completed five days after the deadline and the other participant's was completed 10 days after the deadline.

Criteria – The Office of Management and Budget (OMB) Compliance Supplement stipulates that an individual applying for federal aid under the vocational rehabilitation program must receive notification of eligibility within sixty days of his/her grant application date.

Effect – Individuals eligible to participate in the program may not receive benefits in a timely manner.

Questioned Costs – None

Recommendation – Vocational Rehabilitation Services should establish agency policies related to monitoring individual eligibility notification to ensure that the federal guidelines on eligibility are met. In some instances, the results of the required mental and physical examinations that are required in order to determine eligibility are not received timely so the Agency can process the application in time. In these cases, complete and dated documentation as to why the application was not processed in time should be kept in the participant's file

Pending No. 01-5

Federal Program – Foster Care Program (CFDA No. 93.658)

Condition – During testing of the State’s Department of Social and Rehabilitative Services (SRS) Foster Care Title IV-E (Title IV-E) Program, a sample of forty-five case files was made for eligibility testing and the following control and compliance deficiency was noted:

- Nineteen of the forty-five *Eligibility Determination Forms* were either incomplete or should have resulted in the child being entered into the case monitoring system as “ineligible”. Furthermore, sixteen of the nineteen incorrect determinations were found to be “payment eligible” on the payment system and received non-compliant federal funding during fiscal year 2001 based upon a review of the case’s payment records.

However, it was also noted during the testing that the local level employees detected ten of the nineteen ineligible children during a redetermination process started in fiscal year 2001 and payments for these children ceased once the detection was made.

The deficiency noted above resulted primarily for one main reason. Local level employees are not always receiving adequate training or supervision in order to make the correct initial Title IV-E determinations. However, due to the detection of errors by local level agencies, it appears that improvements from prior years are being made to the training and review process.

Criteria – The Office of Management and Budget (OMB) Compliance Supplement stipulates that an individuals receiving benefits under the Foster Care Program must meet the Supplement’s eligibility guidelines.

Questioned Costs – \$6,938,392 (includes \$70,248 of known questioned costs and \$6,868,144 of likely questioned costs (\$70,248 known errors divided by \$204,247 of payments made in our sample population multiplied by \$19,969,932 of direct payment expenditures made during the fiscal year)).

Recommendation – In order to ensure that eligibility determinations are made in accordance with OMB Circular A-133 requirements, we encourage SRS to increase local level employee trainings on and reviews of the eligibility determination forms.

STATE OF KANSAS
CORRECTIVE ACTION PLAN (UNAUDITED)

Year Ended June 30, 2001

Finding No. 01-1 - Reportable Condition – Reporting Assets and Liabilities of the State of Kansas

Auditee Contact - Mr. Dale Brunton, Director, Department of Administration, Division of Accounts and Reports.

Corrective Action Plan - The Division of Accounts and Reports initiated a GAAP conversion project in December 1999 and hired a consultant to assist with converting the State to conform to accounting principles generally accepted in the United States of America. This conversion project should be finalized in the upcoming months. The State will issue a Comprehensive Annual Financial Report for the year ending June 30, 2002 in full compliance with GASB Statement Number 34.

STATE OF KANSAS

CORRECTIVE ACTION PLAN (UNAUDITED)
(Continued)

Finding No. 01-2 - Federal Program – Medicaid Cluster (CFDA No. 93.775, 93.777, 93.778)

Auditee Contact - Mary S. Hoover, Chief Internal Auditors, Department of Social and Rehabilitation Services, Office of Audit, Management Review and Evaluation

Corrective Action Plan - The Department of Social and Rehabilitation Services (SRS) has recently rebid its Medicaid Management Information System contract. The new contract specifies that the service organization obtain independent audit work in compliance with GAAP and CobiT (Control Objectives for Information Technology). The SAS 70 report requirement is specifically mentioned as a requirement in that contract.

STATE OF KANSAS

CORRECTIVE ACTION PLAN (UNAUDITED)
(Continued)

Finding No. 01-3 - Federal Program – National Guard Military Operations and Maintenance Projects (CFDA No. 12.401)

Auditee Contact - Janice L. Harper, State Comptroller, State Adjutant General

Corrective Action Plan - The law and regulations that govern the Federal/State Cooperative Agreements require a reconciliation to be accomplished at least quarterly between the accounting records of the State Comptroller's Office and the accounting records of the Program Manager. This is a requirement that has usually been accomplished informally. In order to be in compliance with the laws and regulations, this reconciliation will now be documented.

To accomplish this requirement for the first quarter, we have requested certification from the Program Manager that their records are in agreement with the dollar amounts on the Status of Funds letter received at the end of the first quarter. If they disagree with any of the figures, they are to contact the State Comptroller's Office immediately to accomplish a reconciliation of the records.

A formal reconciliation meeting will occur after the end of the second and third quarters. This formal reconciliation may be completed either in person or by phone as long as an agreement is reached and this agreement is documented.

The annual reconciliation meeting will be scheduled between the State Comptroller's Office, the Program Managers and the USP&FO staff for the middle part of August. A Status of Funds letter will be provided to the Program Managers early in August. This will allow time for the Program Managers to reconcile the report with the State Comptroller's Office before the meeting with the USP&FO staff.

A change in the language in paragraph 2 of the Status of Funds letter will now read: "If further clarification or additional information is needed, or if you do not agree with the reported dollar totals, it is imperative that you contact the State Comptroller's Office immediately. You may contact Janice Harper at (785) 274-1451."

STATE OF KANSAS

CORRECTIVE ACTION PLAN (UNAUDITED)
(Continued)

Finding No. 01-4 - Federal Program - Vocational Rehabilitation Services (CFDA No. 84.126)

Auditee Contact - Mary S. Hoover, Chief Internal Auditor, Department of Social and Rehabilitation Services, Office of Audit, Management Review and Evaluation

Corrective Action Plan - SRS had already established policies related to monitoring individual eligibility notification for compliance to federal guidelines at the time of the audit. This is documented in the Kansas Rehabilitation Services (KRS) manual on page 20. The manual states:

KRS must assure that once an individual has submitted application for vocational rehabilitation services, an eligibility determination will be made within 60 days, unless,

- Exceptional and unforeseen circumstances beyond the control of the agency preclude a determination within 60 days and the agency and the individual agree to a specific extension of time; or
- An extended evaluation is necessary.

On October 1, 2001, KRS implemented a new individual case review system with the determination of eligibility within 60 days as one of the review items. For those cases over 60 days, there must be clear documentation in the case file that explains the reason for the delay and that the extension was agreed to by both the agency and the individual.

The Kansas Management Information System (KMIS) also generates reports for field staff and Central Office, identifying individual cases that are in “overtime status” for a variety of statuses, including the 60-day determination of eligibility. Managers are able to monitor the timeliness of services provided by individual counselors by using these reports.

STATE OF KANSAS

CORRECTIVE ACTION PLAN (UNAUDITED)
(Continued)

Finding No. 01-5 - Federal Program - Foster Care Program (CFDA No. 93.658)

Auditee Contact - Mary S. Hoover, Chief Internal Auditor, Department of Social and Rehabilitation Services, Office of Audit, Management Review and Evaluation

Corrective Action Plan - The FY 2001 single audit was performed during the period that the agency was in process of implementing a corrective action plan, prepared in response to the single audit performed for the preceding year, FY 2000. Given the limited time to fully operationalize the corrective actions subsequent to implementation, the FY 2001 findings indicate a significant degree of progress from a year ago.

The findings indicate that 16 cases received non-compliant federal funding during the period under review. However, payments on 10 of these cases were stopped during the redetermination process initiated in FY 2001, leaving six cases for which non-compliant funding was not corrected. The findings note the appearance of improvements to the training and review process from prior years. These improvements are resultant from the division's corrective action plan, implemented beginning May 2001, in response to the FY 2000 state single audit.

As recommended, the division will continue to operationalize corrective actions throughout the state. The following summarizes these activities. It is anticipated that the improvements referenced in the findings will continue to occur commensurate with the 100% statewide review of cases.

A review of 100% of IV-E cases statewide began August 2001. Field preparation for the 100% review and training began with a central office management meeting April 17, 2001. After developing a list of essential tasks to be performed during the review and on an on-going basis, a statewide pre-audit orientation for area office staff was held. Regular monthly meetings have been held since May 2001, with area office IV-E eligibility staff, during which policy updates and other instructional support is provided. These meetings are planned to be held each month on an ongoing basis.

The protocol for the 100% review is based upon the federal review instrument. The protocol is supplemented with a checklist requiring essential information, such as the date of next permanency hearing. Instructions have been issued providing direction about the required order of documentation in eligibility case files.

On-going policy and procedural guidance is based upon the state's Eligibility and Payment Manual, which was revised and updated July 2001. Children and Family Policy (CFP) continues as the central point of contact in the agency by responding to on-going questions about policy and procedure, and providing technical assistance as requested from the field.

STATE OF KANSAS

CORRECTIVE ACTION PLAN (UNAUDITED)
(Continued)

Finding No. 01-5 (Continued)

CFP has integrated the eligibility expertise of other agency programs with IV-E determinations. Subsequently, CFP has developed a working relationship with the Integrated Service Delivery Division within the agency. Economic and Employment Support (EES) Specialists now perform quality assurance reviews of 100% of IV-E cases as part of the 100% statewide review. The EES QA Specialists participate in the monthly IV-E experts meetings and work groups. Findings from the EES QA reviews are reported to the area office for resolution and to CFP management for tracking and systemic corrective action as needed.

Instructions were issued April 2001, concerning implementation of a funding code in the state's automated eligibility system for the purpose of pending an IV-E case in the system. The code serves as an alert each month it is active in the case file, until it is changed by the worker to reflect eligibility status. The state's Payment and Eligibility Manual incorporates the instructions. To date, the field is using the code successfully.

System changes have occurred, allowing the direct entry of eligibility and placement data into the division's system used for federal reporting, and reconciliation with the contractor payment system data. A database has been developed which tracks case reviews and required follow-up action, including the EES QA findings.

Cases will continue to be reviewed statewide, following completion of the 100% review. The sample size of the ongoing case review will be determined by review findings.

